

Munich, July 25, 2007

Effective with the first quarter of fiscal 2007, Siemens prepares its primary financial reporting according to International Financial Reporting Standards (IFRS) on a retroactive basis.

Siemens in the third quarter of fiscal 2007 (ended June 30, 2007)

- Orders were €2.147 billion, a 13% increase compared to the third quarter a year earlier, and revenue rose 8% year-over-year, to €20.176 billion.
- Group profit from Operations for the quarter climbed 22% year-over-year, to €1.504 billion, despite negative equity investment income of €371 million related to Nokia Siemens Networks (NSN).
- Income from continuing operations was €16 million, including the negative equity investment income related to NSN. For comparison, income from continuing operations of €1.341 billion in the third quarter a year earlier benefited from a substantial, non-recurring positive effect at Corporate Treasury.
- Net income was €2.065 billion and basic earnings per share (EPS) were €2.25, compared to €1.344 billion and €1.45, respectively, in the third quarter a year earlier. Discontinued operations contributed €1.349 billion to net income in the current quarter, primarily due to a gain resulting from the transfer of assets into NSN.
- On a continuing basis, free cash flow in the third quarter increased to €908 million compared to €350 million in the prior-year period, despite payment of €419 million related to a previously disclosed European Commission antitrust investigation.

“Siemens’ third quarter demonstrates that the company is on track, and we are off to a good start on our Fit for 2010 program,” said Peter Löscher, who joined Siemens as CEO at the beginning of the fourth quarter. “This program includes ambitious new targets for profitability, cash, and return on capital employed as well as leadership in corporate responsibility. In the fourth quarter, I will be concentrating on five areas: compliance, leadership culture and organizational structure, business portfolio, high-growth markets, and innovation. Ultimately, Siemens needs to get faster, less complex and more focused. Today’s announcements regarding Siemens VDO Automotive and Medical Solutions are important steps in that direction.”

In the third quarter, ended June 30, 2007, Siemens’ net income rose to €2.065 billion, an increase of 54% compared to €1.344 billion in the third quarter a year earlier. Basic earnings per share rose to €2.25 from €1.45 in the prior-year quarter, and diluted earnings per share increased to €2.18 from €1.11 a year earlier. Discontinued operations contributed €1.349 billion to net income in the third quarter, compared to €3 million a year earlier. The difference is due primarily to a pretax, non-cash gain of approximately €1.7 billion generated by the transfer of Siemens’ carrier-related businesses into a new entity, Nokia Siemens Networks (NSN), which began operations in the third quarter. This gain was partially offset by an impairment of the enterprise networks business, in the pretax amount of €355 million. Net income for the current period includes €125 million in expenses for outside advisors in connection with investigations into alleged violations of anti-corruption laws and related matters as well as remediation activities.

In the third quarter, income from continuing operations was €716 million compared to €1.341 billion a year earlier. While the current period was burdened with negative equity investment income of €371 million associated with NSN, the prior-year period benefited from a pretax €429 million positive effect at Corporate Treasury related to a convertible bond. Basic earnings per share on a continuing basis were €0.75 compared to €1.45 in the prior-year quarter, and diluted earnings per share were €0.74 compared to €1.11 a year earlier.

Group profit from Operations was also adversely affected by the negative equity earnings related to NSN, yet still rose 22% year-over-year, to €1.504 billion. Every Group in Operations increased its Group profit compared to the third quarter a year earlier, with most Groups delivering strong double-digit profit growth. Leading earnings contributors included Automation and Drives (A&D), Medical

Solutions (Med), Power Generation (PG), Siemens VDO Automotive (SV), Power Transmission and Distribution (PTD), and Osram.

The other two components of Siemens, Financing and Real Estate and Corporate Treasury activities, contributed €183 million in income before income tax in the third quarter compared to €563 million a year earlier. The change year-over-year was due primarily to the €429 million convertible bond effect, which raised Corporate Treasury earnings to €528 million in the prior-year period. In the current period, Corporate Treasury activities earned €57 million. Financing and Real Estate generated earnings of €126 million, up from €35 million in the prior-year period.

In a favorable macroeconomic environment, third-quarter orders increased 13%, to €22.147 billion, and revenue of €20.176 billion was up 8% compared to the prior-year quarter. Excluding currency translation and portfolio effects, third-quarter orders rose 12% and revenue was up 7%. A majority of Groups in Operations increased both orders and revenue year-over-year, with particularly strong growth at A&D, Med, PTD and PG. On a regional basis, Asia-Pacific and Europe outside Germany posted double-digit growth in both orders and revenue compared to the prior-year period.

Free cash flow from continuing operations for the third quarter was €908 million, up from €850 million in the same quarter a year earlier. While the current period was adversely affected by the €419 million European Commission antitrust penalty, the prior-year period benefited from significant higher cash inflows at Corporate Treasury from foreign currency derivatives.

Operations in the third quarter of fiscal 2007

Information and Communications

Siemens IT Solutions and Services (SIS)

(€ in millions)	Third Quarter			
	2007	2006	% Change	
			Actual	Adjusted*
Group profit	66	(92)		
Group profit margin	5.3%	(7.6)%		
Revenue	1,257	1,218	3%	5%
New orders	1,094	1,189	(8)%	(6)%

* Excluding currency translation effects of (1)% on revenue and orders, and portfolio effects of (1)% on revenue and orders.

Beginning in the third quarter, SIS combines the former Siemens Business Services (SBS) Group with certain other IT activities within Siemens. Results for SIS are stated on a retroactive basis, to provide a meaningful comparison with prior periods.

Group profit at SIS was €66 million in the third quarter. The Group benefited from an improved cost structure, in part due to prior-year severance programs. The third quarter a year ago included severance charges as well as negative effects related to the sale of business activities. Revenue rose 3% to €1.257 billion, while orders of €1.094 billion came in below the prior-year level which included a higher number of major orders.

Automation and Control

Automation and Drives (A&D)

(€ in millions)	Third Quarter			
	2007	2006	% Change	
			Actual	Adjusted*
Group profit	507	404	25%	
Group profit margin	13.1%	12.4%		
Revenue	3,885	3,259	19%	16%
New orders	4,270	3,590	19%	16%

* Excluding currency translation effects of (2)% and (1)% on revenue and orders, respectively, and portfolio effects of 5% and 4% on revenue and orders, respectively.

A&D continued on pace for record earnings in fiscal 2007, as third-quarter Group profit climbed 25% to €507 million, despite expenses related to the acquisition of lifecycle software provider UGS Corp. Third-quarter revenue and orders each rose 19% year-over-year, to €3.885 billion and €4.270 billion, respectively. Order growth was particularly strong in Asia-Pacific and Europe including Germany. A&D expects additional costs related to the acquisition in the coming quarters.

Industrial Solutions and Services (I&S)

(€ in millions)	Third Quarter			
	2007	2006	% Change	
			Actual	Adjusted*
Group profit	95	76	25%	
Group profit margin	4.4%	3.4%		
Revenue	2,149	2,232	(4)%	(3)%
New orders	2,502	1,744	43%	46%

* Excluding currency translation effects of (2)% and (4)% on revenue and orders, respectively, and portfolio effects of 1% on revenue and orders.

Third-quarter Group profit at I&S rose 25% year-over-year, to €95 million, particularly on higher earnings and margins in the Industrial Services division. Third-quarter revenue was €2.149 billion compared to €2.232 billion a year earlier. I&S won large new contracts at most of its divisions, taking third-quarter orders up 43% year-over-year, to €2.502 billion.

Siemens Building Technologies (SBT)

(€ in millions)	Third Quarter			
	2007	2006	% Change	
			Actual	Adjusted*
Group profit	80	36	122%	
Group profit margin	6.9%	3.2%		
Revenue	1,161	1,122	3%	8%
New orders	1,269	1,142	11%	15%

* Excluding currency translation effects of (3)% on revenue and orders, and portfolio effects of (2)% and (1)% on revenue and orders, respectively.

SBT's Group profit for the third quarter was €80 million, benefiting from the sale of a business in Germany. The Fire Safety & Security Products division and the HVAC Products division contributed higher earnings year-over-year. Third-quarter revenue rose 3%, to €1.161 billion, and orders of €1.269 billion were 11% higher than in the prior-year period.

Power

Power Generation (PG)

(€ in millions)	Third Quarter			
	2007	2006	% Change	
			Actual	Adjusted*
Group profit	290	219	32%	
Group profit margin	10.1%	8.3%		
Revenue	2,863	2,635	9%	8%
New orders	3,942	2,475	59%	57%

* Excluding currency translation effects of (2)% on revenue and orders, and portfolio effects of 3% and 4% on revenue and orders, respectively.

PG's Group profit of €290 million in the third quarter was positively influenced by non-operating effects. A year earlier, Group profit of €219 million was burdened by project charges. Third-quarter revenue for PG rose 9% year-over-year, to €2.863 billion. The Group's fossil power, wind and industrial divisions all won significant new business, generating overall order growth of 59% compared to the third quarter a year earlier. PG expects continued volatility in equity investment earnings in the fourth quarter.

Power Transmission and Distribution (PTD)

(€ in millions)	Third Quarter			
	2007	2006	% Change	
			Actual	Adjusted*
Group profit	152	102	49%	
Group profit margin	7.9%	5.9%		
Revenue	1,922	1,718	12%	13%
New orders	2,392	2,075	15%	17%

* Excluding currency translation effects of (1)% and (2)% on revenue and orders.

PTD maintained its momentum in the third quarter, again increasing earnings, volume and profit margin compared to the same period a year earlier. Third-quarter Group profit surged 49% year-over-year, to €152 million, as all divisions in the Group posted higher earnings and improved profitability. Revenue and order growth were also broad-based. Revenue for the third quarter was €1.922 billion, up 12% compared to the prior-year period. A large new contract in China fueled a 15% rise in orders, which reached €2.392 billion.

Transportation

Transportation Systems (TS)

(€ in millions)	Third Quarter			
	2007	2006	% Change	
			Actual	Adjusted*
Group profit	24	17	41%	
Group profit margin	2.4%	1.7%		
Revenue	1,006	986	2%	4%
New orders	658	1,550	(58)%	(56)%

* Excluding currency translation effects of (1)% on revenue, and portfolio effects of (1)% and (2)% on revenue and orders, respectively.

Group profit was €24 million at TS in the third quarter, including €29 million in charges for Combino. Third-quarter revenue rose to €1.006 billion. Orders came in well below the level a year earlier, when TS won an exceptionally large order for trains and maintenance in Russia.

Siemens VDO Automotive (SV)

(€ in millions)	Third Quarter			
	2007	2006	% Change	
			Actual	Adjusted*
Group profit	214	155	38%	
Group profit margin	7.8%	6.0%		
Revenue	2,731	2,604	5%	7%
New orders	2,719	2,600	5%	7%

* Excluding currency translation effects of (2)% on revenue and orders.

Group profit at SV increased to €214 million, benefiting from divestment of a business and a sale of real estate. Third-quarter revenue and orders rose year-over-year on a Group-wide basis, increasing 5% overall to €2.731 billion and €2.719 billion, respectively.

Medical

Medical Solutions (Med)

(€ in millions)	Third Quarter			
	2007	2006	% Change	
			Actual	Adjusted*
Group profit	307	234	31%	
Group profit margin	12.6%	12.7%		
Revenue	2,431	1,837	32%	9%
New orders	2,517	2,088	21%	0%

* Excluding currency translation effects of (5)% and (4)% on revenue and orders, respectively, and portfolio effects of 28% and 25% on revenue and orders, respectively.

Group profit at Med rose 31% to €307 million for the third quarter, led by the Diagnostics division and Med's imaging businesses. The Diagnostics division was formed between the periods under review from the acquisitions of Diagnostic Products Corp. and the diagnostics division of Bayer AG, which led to acquisition-related costs during the third quarter. Revenue for the period was €2.431 billion and orders were €2.517 billion, both benefiting substantially from the Diagnostics division. Med expects further costs related to the acquisitions in coming quarters.

Lighting

Osram

(€ in millions)	Third Quarter			
	2007	2006	% Change	
			Actual	Adjusted*
Group profit	116	111	5%	
Group profit margin	10.3%	10.2%		
Revenue	1,124	1,089	3%	7%
New orders	1,124	1,089	3%	7%

* Excluding currency translation effects of (4)% on revenue and orders.

Osram was again among Siemens' earnings leaders, with €116 million in third-quarter Group profit. Demand for energy-efficient lighting supported volume growth, as revenue and orders for Osram rose to €1.124 billion for the period.

Strategic Equity Investments (SEI)

SEI includes results at equity from three companies in which Siemens holds a strategic equity stake: NSN, BSH Bosch und Siemens Hausgeräte GmbH (BSH), and Fujitsu Siemens Computers (Holding) B.V. (FSC). NSN began operations in the third quarter. BSH and FSC were included within Other Operations in the prior-year quarter, and their results are included here on a retroactive basis to provide a meaningful comparison with prior periods. For SEI overall, earnings were a negative €301 million in the third quarter compared to a positive €49 million a year earlier. The change year-over-year was due to NSN, which took a total of €905 million in charges for previously announced restructuring and integration, including €646 million for severance. Siemens' equity investment income related to NSN in the quarter was a negative €371 million.

Other Operations

Other Operations consist of centrally held operating businesses not related to a Group, including Siemens Home and Office Communication Devices (SHC). Third-quarter Group profit from Other Operations was a negative €46 million. A year earlier, a negative €80 million in Group profit from Other Operations included a loss in the distribution and industry logistics (Dematic) businesses carved out of the former Logistics and Assembly Systems Group. The Dematic businesses were divested between the periods under review.

Corporate items, pensions and eliminations

Corporate items, pensions and eliminations totaled a negative €421 million in the third quarter compared to negative €31 million in the prior-year period. The major factor in the change year-over-year was significantly higher expenses for legal and regulatory matters, including the investigations and other items mentioned earlier as well as funding for job placement companies for former Siemens employees affected by the bankruptcy of BenQ Mobile GmbH & Co. OHG. Another factor in the change was higher expense related to a major asset retirement obligation. The current period also included a negative consolidation effect from a real estate transaction related to the carve-out of SV. A year earlier, Corporate items, pensions and eliminations benefited from positive effects including a €33 million gain on the sale of Siemens' remaining shares in Infineon Technologies AG (Infineon).

Financing and Real Estate

Siemens Financial Services (SFS)

(€ in millions)	Third Quarter		
	2007	2006	% Change
Income before income taxes	57	64	(11)%
	June 30, 2007	Sept. 30, 2006	
Total assets	8,705	10,543	(17)%

Income before income taxes at SFS was €57 million compared to €64 million in the third quarter a year earlier. Total assets declined compared to the end of fiscal 2006, due to a significant reduction in accounts receivable related to the carve-outs of SV and carrier activities that were transferred into NSN.

Siemens Real Estate (SRE)

(€ in millions)	Third Quarter		
	2007	2006	% Change
Income before income taxes	69	(29)	
Revenue	416	419	(1)%
	June 30, 2007	Sept. 30, 2006	
Total assets	3,242	3,221	1%

Income before income taxes at SRE was €69 million, which benefited from higher gains on sales of real estate. A year earlier, SRE's third-quarter result included higher vacancy charges. Total assets increased slightly compared to the level at the end of fiscal 2006.

Eliminations, reclassifications and Corporate Treasury

Income before taxes from eliminations, reclassifications and Corporate Treasury in the third quarter was €57 million compared to €528 million a year earlier. The difference resulted primarily from a €429 million positive effect under IFRS in the prior-year quarter, related to mark-to-market valuation of the cash settlement option associated with the €2.5 billion convertible bond issued by Siemens in 2003. This option was subsequently irrevocably waived, effectively eliminating further earnings effects.

Income statement highlights in the third quarter of fiscal 2007

Gross profit margin for the third quarter rose to 27.8% from 25.5% in the same period a year earlier. Gross profit climbed significantly on a combination of higher gross margin and higher revenue at a majority of Groups. Research and development (R&D) expense rose to €995 million from €848 million in the third quarter a year earlier, primarily at A&D and Med which made acquisitions between the periods under review. R&D as a percent of sales rose to 4.9% from 4.5% a year earlier. Marketing, selling and general administrative expense increased to €3.226 billion, but grew in line with revenue and remained unchanged as a percent of sales, at 16.0%.

Other operating income was €197 million compared to €108 million a year earlier. Other operating expense increased to €218 million from €94 million in the third quarter of the prior year, in part due to the higher legal and regulatory expenses mentioned above. Income (loss) from investments accounted for using the equity method, net was a negative €207 million compared to a positive €129 million in the prior-year period. The change year-over-year is due to €371 million in negative equity investment income related to NSN. Financial income, net was a negative €59 million, including higher interest expense related primarily to bonds issued between the periods under review. Financial income, net in the prior-year period was a positive €603 million, benefiting from the €429 million positive effect related to the convertible bond.

Discontinued operations posted income after income tax of €1.349 billion in the third quarter compared to €3 million in the prior-year period. The current quarter included the €1.702 billion pretax, non-cash gain associated with the transfer of Siemens' carrier-related assets into NSN, only partially offset by the pretax €355 million impairment in the enterprise networks business.

Income and earnings per share in the first nine months of fiscal 2007

Net income for Siemens in the first nine months of fiscal 2007 was €4.112 billion, a 28% increase compared to €3.206 billion in the same period a year earlier. Basic and diluted earnings per share for the first nine months of fiscal 2007 were €4.43 and €4.26, respectively, compared to €3.43 and €3.39, respectively, in the same period a year ago. The primary factor in higher net income was Group profit from Operations. With a majority of the Groups in Operations posting higher revenue and margins year-over-year, Group profit from Operations for the first nine months rose 41%, to €5.099 billion. The current period includes negative equity investment income of €371 million related to NSN, while the prior-year period includes €396 million in severance charges at SIS. Net income for the current nine months was adversely affected by a previously disclosed first-quarter penalty of €423 million arising from a European Commission antitrust investigation involving providers of gas-isolated switchgear in the power transmission and distribution industry. Earnings at Financing and Real Estate rose to €457 million for the first nine months, from €288 million a year earlier. Corporate Treasury activities contributed earnings of €134 million compared to a loss of €14 million in the same period a year earlier, which includes a €143 million net negative effect related to the convertible bond cash settlement option.

Income from continuing operations for the first three quarters was €2.826 billion, level with the prior-year period. Basic and diluted earnings per share on a continuing basis were €3.01 and €2.91, respectively, compared to €3.04 and €3.03 in the first nine months a year earlier. Discontinued operations generated income of €1.286 billion for the first three quarters of the current fiscal year, compared to €361 million in the same period of the prior year. The increase is due primarily to the €1.702 billion gain associated with carrier assets mentioned above, partially offset by impairments of the enterprise networks business totaling €503 million. While discontinued operations in the first nine months a year earlier included €198 million in severance charges, they were more than offset by a €356 million gain on the sale of shares in Juniper Networks, Inc.

Revenue and order trends for the first nine months

(€ in millions)	Nine months ended June 30, 2007					
	New Orders			Revenue		
	location of customer	% change vs. previous year	% change vs. previous year adjusted*	location of customer	% change vs. previous year	% change vs. previous year adjusted**
Germany	12,185	4%	4%	11,349	3%	3%
Europe (other than Germany)	22,469	14%	13%	18,959	10%	9%
Americas	18,991	12%	18%	15,792	3%	8%
Asia-Pacific	10,250	6%	9%	8,729	14%	17%
Africa, Middle East, C.I.S. ***	6,303	(8)%	(6)%	5,041	18%	20%
Siemens	70,198	8%	10%	59,870	8%	10%

* Excluding currency translation and portfolio effects. Currency translation effects were: Americas (9%), Asia-Pacific (4%), Africa, Middle East, C.I.S. (3)% and for Siemens (3)%. The remaining difference results from portfolio effects.

** Excluding currency translation and portfolio effects. Currency translation effects were: Americas (8)%, Asia-Pacific (4)%, Africa Middle East, C.I.S. (4)% and for Siemens (3)%. The remaining difference results from portfolio effects.

*** Commonwealth of Independent States.

In the first nine months of fiscal 2007, revenue and orders both climbed 8% compared to the same period a year earlier. Revenue rose to €59.870 billion from €55.489 billion, and orders increased to €70.198 billion from €64.852 billion a year earlier. On an organic basis, excluding currency translation effects and the net effect of acquisitions and dispositions, revenue and orders both rose 10%.

International revenue and orders for the first nine months were both up 9% year-over-year, at €48.521 billion and €58.013 billion, respectively. In Germany, revenue for the first nine months rose 3%, to €11.349 billion, and orders increased 4%, to €12.185 billion. On a regional basis, Europe outside Germany was the strongest contributor to international volume growth, with revenue rising 10%, to €18.959 billion, and orders climbing 14%, to €22.469 billion. Both revenue and orders grew in the Americas as well, where revenue for the first nine months was €15.792 billion, up 3% compared to the prior-year period, and orders of €18.991 billion were 12% higher year-over-year. On an organic basis, revenue rose 8% and orders climbed 18%. Within the region, the U.S. showed a similar pattern. Revenue rose 1% to €12.279 billion and orders increased 6% to €13.836 billion. Organic growth in the U.S. for the nine-month period included a 7% increase in revenue and 13% rise in orders.

Revenue in Asia-Pacific for the first nine months grew 14%, to €8.729 billion, and orders of €10.250 billion grew 6% compared to the prior-year period. Both periods included a similar level of major orders. Within Asia-Pacific, revenue in China rose 10%, to €3.193 billion for the first nine months,

while orders of €3.742 billion came in 2% lower than a year earlier due in part to currency translation effects. The Africa, Middle East, Commonwealth of Independent States (C.I.S.) region showed a similar development. Though nine-month orders of €6.303 billion were well above nine-month revenue of €5.041 billion, orders were 8% lower than a year earlier and revenue was 18% higher.

Cash flows and cash conversion rate for the first nine months

Operating activities provided net cash of €3.977 billion in the first nine months, compared to €2.859 billion in the same period of the prior year. These results include both continuing operations and discontinued operations. Within the total, continuing operations provided net cash of €5.573 billion, up from €3.410 billion a year earlier. Discontinued operations used net cash of €1.596 billion in the current period, including a build-up of net working capital, particularly receivables. A year earlier, discontinued operations used net cash of €551 million in the first nine months.

Investing activities used net cash of €10.177 billion in the first nine months, a substantial increase from €1.465 billion in the prior-year period. Within these results, continuing operations were the primary factor in the change year-over-year, using net cash of €9.448 billion compared to net cash used of €1.624 billion in the same period a year earlier. Discontinued operations used net cash of €729 million compared to net cash provided of €159 million in the prior-year period, which benefited from €465 million in proceeds from the Juniper share sales.

Continuing operations		Operations		SFS, SRE and Corporate Treasury *		Siemens	
		Nine months ended June 30,					
(€ in millions)		2007	2006	2007	2006	2007	2006
Net cash provided by (used in):							
Operating activities	A	2,505	1,993	3,068	1,417	5,573	3,410
Investing activities		(8,717)	(869)	(731)	(755)	(9,448)	(1,624)
Thereof: Additions to intangible assets and property, plant and equipment	B	(1,870)	(1,927)	(445)	(525)	(2,315)	(2,452)
Free cash flow **	A+B	635	66	2,623	892	3,258	958

* Also includes eliminations and reclassifications.

** Free cash flow from continuing operations is presented in the table "Segment information."

Within Operations, net cash provided by operating activities from continuing operations in the first nine months increased to €2.505 billion from €1.993 billion a year earlier. The rise year-over-year is due primarily to a significantly lower increase in net working capital compared to the prior-year period, even with a substantial increase in receivables at SV related to its carve-out. The current period also includes the €419 million penalty payment mentioned earlier. Within Financing and Real Estate and Corporate Treasury, the change in net cash provided by operating activities from continuing operations year-over-year was due primarily to accounts receivable related to the carve-outs of SV and the carrier activities transferred into NSN.

Investing activities in continuing operations used €8.717 billion within Operations in the first nine months, including €4.2 billion for the Bayer acquisition at Med, €2.7 billion for the acquisition of UGS Corp. at A&D, and the acquisition of AG Kühnle, Kopp & Kausch at PG. In contrast, net cash used of €869 million during the prior-year period benefited from €1.127 billion in proceeds from the Infineon share sales.

Free cash flow from continuing operations for Siemens was €3.258 billion during the first nine months, a significant increase from €958 million in the same period a year earlier. The change year-over-year is due to the increase in net cash provided by operating activities mentioned above, combined with lower spending for additions to intangible assets and property, plant and equipment. Siemens' cash conversion rate, calculated as free cash flow from continuing operations divided by income from continuing operations, improved to 1.15 for the first nine months of fiscal 2007 from 0.34 in the same period a year earlier.

Financing activities in the first nine months included €2.4 billion (€1.4 billion nominal) in cash used to buy back a portion of the €2.5 billion convertible bond mentioned earlier. Redemption of outstanding convertible notes is scheduled for the fourth quarter (see "Subsequent Events" below.)

Funding status of pension plans

The estimated underfunding of Siemens' principal pension plans as of June 30, 2007, amounted to only approximately €0.2 billion compared to an underfunding of approximately €2.9 billion at the end of fiscal 2006. The significant improvement in funding status is primarily due to an increase in the discount rate assumption at June 30, 2007, reducing Siemens' estimated defined benefit obligation,

and furthermore due to the actual return on plan assets and regular contributions, increasing the fair value of plan assets. Altogether this by far outbalanced the negative effect of service and interest cost on the defined benefit obligation. The negative impact of increases in interest rates on fixed income investments was largely offset by strong performance in equity markets resulting in an actual return on plan assets of €1.096 billion during the last nine months. This represents a 6.3% return on an annualized basis, compared to the expected annual return of 6.5%.

Subsequent events

Siemens AG has signed an agreement with Continental AG, Hanover, Germany, to sell its entire stake in Siemens VDO Automotive AG. The price is €11.4 billion. The closing of the transaction is subject to approval by the responsible antitrust authorities and other closing conditions and is expected in the current calendar year. Preparations for the planned IPO of Siemens VDO Automotive AG will be terminated.

Siemens has signed a merger agreement with US-based Dade Behring Inc., a leading clinical laboratory diagnostics company. Siemens intends to acquire all outstanding shares of Dade Behring by submitting a cash offer to the Dade Behring shareholders of US\$77 per common share. The planned acquisition has a total transaction volume of approximately US\$7 billion (roughly €5 billion). Closing is expected in the second quarter of fiscal year 2008. Completion of the merger is subject to receipt of customary, regulatory approvals and other customary closing conditions.

On July 16, 2007, Siemens gave notice of irrevocable early redemption of the remaining amount of its outstanding convertible notes. Redemption was set for August 17, 2007, to be conducted through Siemens' wholly owned Dutch subsidiary, Siemens B.V.

All figures are preliminary and unaudited. Reconciliation and Definitions of our Non-GAAP Measures are available on our Investor Relations website under www.siemens.com/ir, Financial Publications, Quarterly Reports.

This Earnings Release should be read in conjunction with information Siemens published today regarding legal proceedings. An update of Siemens' annual Form 20-F disclosure regarding legal proceedings is provided in the Interim Report.

Note: Beginning at 15:30 a.m. CEST on July 25, 2006, the telephone conference at which CEO Peter Löscher and CFO Joe Kaeser discuss the quarterly figures will be broadcast live on the Internet at www.siemens.com/conferencecall. The accompanying slide presentation can also be viewed here, and a recording of the conference will subsequently be made available as well. Starting at 18:00 CEST, Peter Löscher and Joe Kaeser will hold a telephone conference in English for analysts and investors, which can be followed live at www.siemens.com/analystcall.

IFRS Conversion

Beginning with the first quarter of fiscal 2007, Siemens prepares its primary financial reporting according to International Financial Reporting Standards (IFRS). For the years prior to fiscal 2007, Siemens prepared its primary financial reporting according to United States Generally Accepted Accounting Principles (U.S. GAAP). As part of its transition to IFRS, Siemens has published IFRS Consolidated Financial Statements for fiscal 2006 and fiscal 2005 as supplemental information to its U.S. GAAP figures. This document is available at www.siemens.com/investors, where you can also find a presentation explaining major differences between IFRS and U.S. GAAP in Siemens financial results.

This document contains forward-looking statements and information – that is, statements related to future, not past, events. These statements may be identified by words as “expects,” “looks forward to,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “estimates,” “will” or words of similar meaning. Such statements are based on our current expectations and certain assumptions, and are, therefore, subject to certain risks and uncertainties. A variety of factors, many of which are beyond Siemens’ control, affect its operations, performance, business strategy and results and could cause the actual results, performance or achievements of Siemens worldwide to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. For us, particular uncertainties arise, among others, from: changes in general economic and business conditions (including margin developments in major business areas); the challenges of integrating major acquisitions and implementing joint ventures and other significant portfolio measures; changes in currency exchange rates and interest rates; introduction of competing products or technologies by other companies; lack of acceptance of new products or services by customers targeted by Siemens worldwide; changes in business strategy; the outcome of pending investigations and legal proceedings; our analysis of the potential impact of such matters on our financial statements; as well as various other factors. More detailed information about our risk factors is contained in Siemens’ filings with the SEC, which are available on the Siemens website, www.siemens.com, and on the SEC’s website, www.sec.gov. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the relevant forward-looking statement as expected, anticipated, intended, planned, believed, sought, estimated or projected. Siemens does not intend or assume any obligation to update or revise these forward-looking statements in light of developments which differ from those anticipated.